

**The Sub Postmaster and Another Vs. the Special Officer**

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**Court :** Tamil Nadu State Consumer Disputes Redressal Commission SCDRC  
Chennai

**Decided On :** Apr-29-2011

**Judge :** Thiru a.K. Annamalai, M.a., M.L., M.Phil., Presiding Member Judicial  
& Thiru S. Sambandam, B.SC., Member

**Appeal No. :** F.A.No.385/2009 [Against order in C.C.No.20/2006 on the file of the  
DCDRF, Pudukkottai.]

**Appellant :** The Sub Postmaster and Another

**Respondent :** The Special Officer

**Judgement :**

The Respondent as complainant filed a complaint before the District Forum, Pudukkottai, alleging deficiency against the opposite parties to pay the maturity value of the 13 Kisan Vikas Patra bearing Nos.48CC 181992 to 181999 dated 21.9.98 at the matured value of Rs.2,60,000/-, to pay at least 12% interest as damages on the maturity value from the date on which it mature till realization, to pay Rs.70,000/- towards mental agony and costs. The District Forum, allowed the complaint against the opposite parties. Against the said order, this appeal is preferred by the opposite parties, praying to set aside the order of the District Forum, Pudukkottai, dated 30.06.08 in C.C.No.20/2006.

This appeal coming before us for hearing finally on 15.04.2011, upon hearing the arguments of the counsel on both sides and perused the documents, written submissions as well as the order of the District Forum, this Commission made the following order :-

A.K.ANNAMALAI, PRESIDING MEMBER JUDICIAL

1. The opposite parties are the appellants.
2. The respondent/complainant filed a complaint against opposite parties for the direction of to pay the maturity value of the 13 Kisan Vikas Patra of Rs.2,60,000/-, to pay at least 12% interest as damages on the maturity value from the date on which it mature till realization, to pay Rs.70,000/- towards mental agony and for the cost.
3. The details of the complaint in brief are as follows :- The complainant is the Co-operative Society with main functions of Agricultural members welfare by selling their products for the good price and to improve their status in the society under the control of State Co-operative Department and thereby the amount collected from the members at the beginning of 1998 of Rs.1,30,000/- in order to get profitable income from the same the amount was deposited with the 1st opposite party under Kisan Vikas Patras and thereby 8 deposits were made on 7.3.98 and two deposits were made on 30.3.99 which are payable after the maturity period of 5 years and other 3 deposits 11 to 13 are payable after 6 years and each deposit is having face value of Rs.10,000/- and thereby this would become double the amount on maturity and a total sum of Rs.1,30,000/- was paid for the same. When the complainant asked for the payment of 8 deposits right for maturity on 7.9.03 after the date the 1st opposite party not complied the same and after that letters were sent on 30.12.03 and 23.2.04 for which the 1st opposite party sent a reply on 19.4.04 by stating that those deposits were wrongly received against the rules and asked for the option to receive the amount with the savings bank interest rate and thereby the 1st opposite party had acted in the fraudulent manner and by keeping the deposit for 5 years to 6 years and after demanding the amount made a request for collecting the amount with the Savings Bank rate of interest is would amount to deficiency of service and thereby the complainants sent necessary letters to the

2nd opposite party and the 2nd opposite party sent reply by stating that the matter was under consideration and there was no response subsequently. Even after filing petition before the District Legal Services Authorities and failed to appear there also and thereby a legal notice was sent on 24.10.05 for which after 3 months, the 1st opposite party sent a reply that those deposits were wrongly received against the rules for which no interest could be paid and thereby the complainant sustained loss to the members of the society and they have to be compensated and hence the complaint was filed for the relief as prayed for.

4. The opposite parties denied the allegations of the complainant in their written version by stating that the complainant society cannot purchase the Kisan Vikas Patras as per the notification of Finance Department of Central Government in GSR 119 (E) dated 9.3.05 for which there cannot be any interest to be paid and there was no deficiency of service and the complaint to be dismissed.

5. Aggrieved by the order of the District Forum, the appellants have come forward with this appeal and in the grounds of appeal among other things mainly stressed that the deposits made under the Kisan Vikas Patras as per notification dated 9.3.95 issued by the Finance Department the Co-operative Society cannot purchase the same and the irregularity was noticed only when the certificates presented for discharge at Aranthangi Post Office. Hence the order of the District Forum deserves to be set aside.

6. While considering both sides arguments, averments and contentions it is the admitted case of both sides that the complainant has made deposits for Rs.1,30,000/- in order to get profitable income from the same the amount was deposited with the 1st opposite party under Kisan Vikas Patras and thereby 8 deposits were made on 7.3.98 and two deposits were made on 30.3.99 which are payable after the maturity period of 5 years and other 3 deposits 11 to 13 are payable after 6 years and each deposit is having face value of Rs.10,000/- and thereby this would become double the amount on maturity and a total sum of Rs.1,30,000/- was paid for the same and it was also admitted those certificates are become matured on 7.9.03 and subsequently it was refused for payment by stating that the deposits are not entitled for interest as per Central Government

Notification No.GSR 119(E) dated 9.3.95.

7. While considering this aspect the Notification was issued in the year 1995 and the deposits were made in the year 1998 after more than 6 years of the issuance of notification and if really those deposits are not eligible for interest it ought to have been immediately returned to the complainant or to have informed about the same to the complainant. But after keeping the deposits with them for 6 years and after issuing the cheque for the maturity value the opposite parties suddenly waken up from asleep and stopped the payment by stating they are not entitled for interest and to collect Rs.1,30,000/- only as principal amount. The complainants have pointed out the rulings reported in 1998 CPJ 107 (National Commission), 1994 CPJ 201 (NC), 1994 (I) CCC 293, 2002 CPJ 280, 2001 CPJ 352, A.P.No.647/2001 dated 25.7.02 and A.P.No.208/2001 dated 10.10.2001 by TNSC in which it is ruled that when once the National Savings Certificates are issued against the rules and as per the rules even though they are not entitled for interests but when the opposite parties received the deposit which was kept with them for such a period they are liable to pay the interest for those deposits and this was reiterated in 2003 CPJ 897 NCDRC. The same ruling were also relied upon by the respondents side in this appeal and further the rulings reported in AIR 2007 Gujarat 72 and 4 2006 CPJ 216 (NC) were also cited in which it is stated as follows :-

Consumer Protection Act, 1986 - Section 2(1)(g) - NSC 6th Issue Rules, 1989 - Rules 4, 11 - Contract Act, 1872 - Sections 72, 73 - Securities - NSCs - Issuance of certificates in contravention of Rules - Entitlement to interest - NSCs issued to Town Area in contravention of Rules - Entitlement to interest - NSCs issued to Town Area Committee - Transaction invalid - However amount was retained by opposite party - Having accepted amount in contravention of Rules and not refusing to issue NSCs, opposite parties guilty of deficiency in service - Liable to compensate complainant for loss occasioned on such account - Provisions of Sections 72, 73 of Act of 1872 attracted opposite party liable to pay principal amount - Towards compensation, no option but to award sum equivalent to interest payable on maturity of NSCs.

Mahila Sewa Sahakari Bank Ltd. V. Chief Post Master and Ors.

Spl. Civil Appln. No.11574 of 2006 D/- 10-8-2006.

Government Savings Certificates Act (46 of 1959), S.12 - Kisan Vikas Patra Rules (1988), R.6 - Kisan Vikas Patra - Purchase of, by Mahila Co-operative Bank - Rules of 1988 did not permit co-operative Bank to purchase Kisan Vikas Patra - But Post Office did not inform Bank this fact and accepted the amount - Post Office cannot refuse interest accrued thereof on its maturity - Principle of unjust enrichment would apply to Govt. and its agencies.

8. In view of the above said rulings it is clear that the complainant is entitled for the interest for the deposits made with the opposite parties even though it was received wrongly against the notification, but retained by the opposite parties till date of maturity to the extent of 5 years or 6 years as the case may be for which the complainant is lawfully entitled for the due interest and as per the second ruling reported principle of unjust enrichment would apply to Government and its agencies also. Accordingly we feel that in this case the District Forum has passed a sustainable order in which there is no need for interference by this Commission. As far as the interest is concerned for the matured amount of Rs.2,60,000/- from the date of maturity till date of realization 12% was awarded which alone needs for interference. Since the interest is concerned to be payable after the date of maturity till realization the usual grant of 6% alone to be awarded and as the opposite party being the Postal Department accordingly we modify the order of the District Forum to that extent alone by reducing the interest from 12% to 6% to be payable on the maturity value of Rs.2,60,000/- from the date of maturity till date of realization and in other respects the District Forum order to be confirmed.

9. In the result, the appeal is allowed in part, by modifying the order of the District Forum Trichirappalli to the extent of interest by reducing the interest from 12% to 6% to be payable on the maturity value of Rs.2,60,000/- from the date of maturity till date of realization and in other respects the District Forum order is confirmed. There will be no order as to cost in this appeal.

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